

By: Hancock

S.B. No. 1415

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the ownership, control, or operation of a franchised or
3 nonfranchised dealer or dealership by certain motor vehicle
4 manufacturers and distributors.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 2301.476(a), (b), and (c), Occupations
7 Code, are amended to read as follows:

8 (a) In this section:

9 (1) "Manufacturer" [~~,"manufacturer"~~] includes:

10 (A) [~~(1)~~] a representative; or

11 (B) [~~(2)~~] a person who:

12 (i) [~~(A)~~] is affiliated with a manufacturer
13 or representative; or

14 (ii) [~~(B)~~] directly or indirectly through
15 an intermediary, is controlled by, or is under common control with,
16 a manufacturer.

17 (2) "Type of motor vehicle" means the classification
18 of a motor vehicle as one of the following:

19 (A) a passenger car or a truck, including a
20 pickup truck, van, panel delivery truck, or a carryall truck, with a
21 gross vehicle weight rating of 14,000 pounds or less that is used
22 primarily to transport persons or property;

23 (B) a motorcycle or motor-driven cycle, which
24 includes:

- 1 (i) an all-terrain vehicle, as defined by
2 Section 502.001, Transportation Code;
- 3 (ii) a recreational off-highway vehicle, as
4 defined by Section 502.001, Transportation Code;
- 5 (iii) an autocycle, as defined by Section
6 501.008, Transportation Code;
- 7 (iv) a moped, as defined by Section
8 541.201, Transportation Code;
- 9 (v) a motorcycle, as defined by Section
10 541.201, Transportation Code; or
- 11 (vi) a motor-driven cycle, as defined by
12 Section 541.201, Transportation Code;
- 13 (C) an engine, transmission, or rear axle, as
14 described by Section 2301.002(23)(C);
- 15 (D) a medium-duty or heavy-duty truck with a
16 gross vehicle weight rating of more than 14,000 pounds;
- 17 (E) a bus, as defined by Section 541.201,
18 Transportation Code;
- 19 (F) a road tractor or truck tractor, as defined
20 by Section 541.201, Transportation Code;
- 21 (G) a firefighting vehicle; or
- 22 (H) a recreational vehicle, which includes:
- 23 (i) a motor home;
- 24 (ii) a towable recreational vehicle;
- 25 (iii) a travel trailer, as defined by
26 Section 501.002, Transportation Code; or
- 27 (iv) a house trailer, as defined by Section

1 501.002, Transportation Code.

2 (b) For purposes of Subsection (a)(1)(B)(ii) [~~(a)(2)(B)~~], a
3 person is controlled by a manufacturer if the manufacturer is
4 directly or indirectly authorized, by law or by agreement of the
5 parties, to direct or influence the person's management and
6 policies.

7 (c) Except as provided by this section, a manufacturer or
8 distributor may not directly or indirectly:

9 (1) own an interest in:

10 (A) a franchised [~~or nonfranchised~~] dealer or
11 dealership, the business of which includes buying, selling,
12 exchanging, servicing, or repairing the same type of motor vehicle
13 that the manufacturer or distributor manufactures or distributes;
14 or

15 (B) a nonfranchised dealer or dealership;

16 (2) operate or control:

17 (A) a franchised [~~or nonfranchised~~] dealer or
18 dealership, the business of which includes buying, selling,
19 exchanging, servicing, or repairing the same type of motor vehicle
20 that the manufacturer or distributor manufactures or distributes;
21 or

22 (B) a nonfranchised dealer or dealership; or

23 (3) act in the capacity of:

24 (A) a franchised [~~or nonfranchised~~] dealer or
25 dealership, the business of which includes buying, selling,
26 exchanging, servicing, or repairing the same type of motor vehicle
27 that the manufacturer or distributor manufactures or distributes;

1 or

2 (B) a nonfranchised dealer.

3 SECTION 2. This Act takes effect September 1, 2019.